

CITY OF MINNEAPOLIS

2015 Recommended Budget and Levy



Minneapolis
City of Lakes

**Presentation to the Board of
Estimate and Taxation**

August 27, 2014

2015 Recommended Budget and Levy

- Background Information
- 2015 Recommendation
- 2015 Recommended Levy Impact

2015 Recommended Budget and Levy

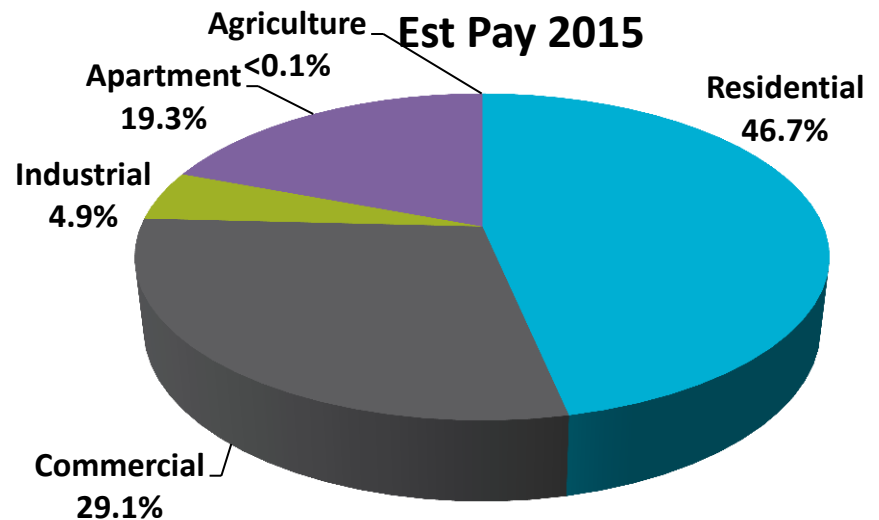
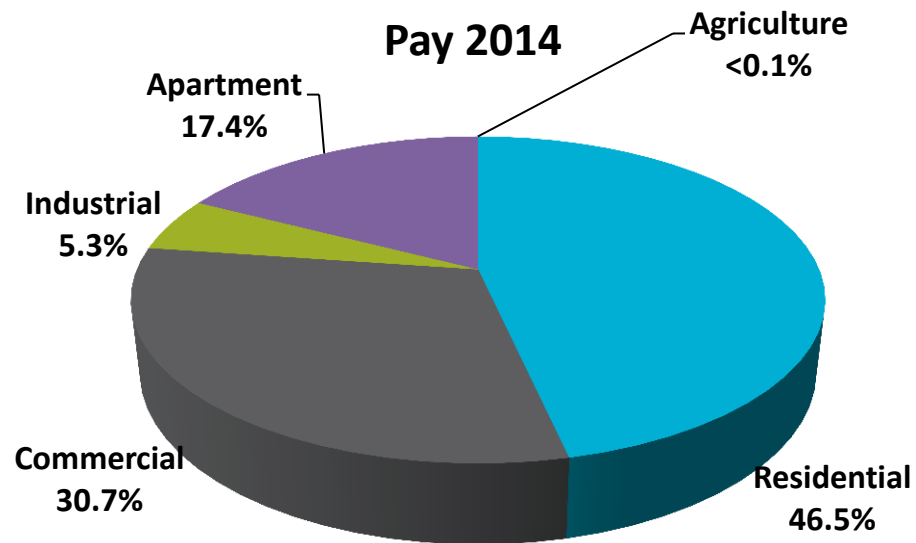
Background Information

- Property Taxes
 - City adopts a Total Dollar Amount Levy (NOT a mil rate or percent of property value)
 - Properties pay according to their proportional piece of total property value in City
 - Changes in value only matter compared to value changes for other properties
 - Type of property matters

2015 Recommended Budget and Levy

Background Information

Tax Capacity by Property Type



Source: Hennepin County Resident & Real Estate Services – property data as of 07/30/2014

2015 Recommended Budget and Levy

Background Information

Comparison of Property Values and Tax Capacity (millions \$)

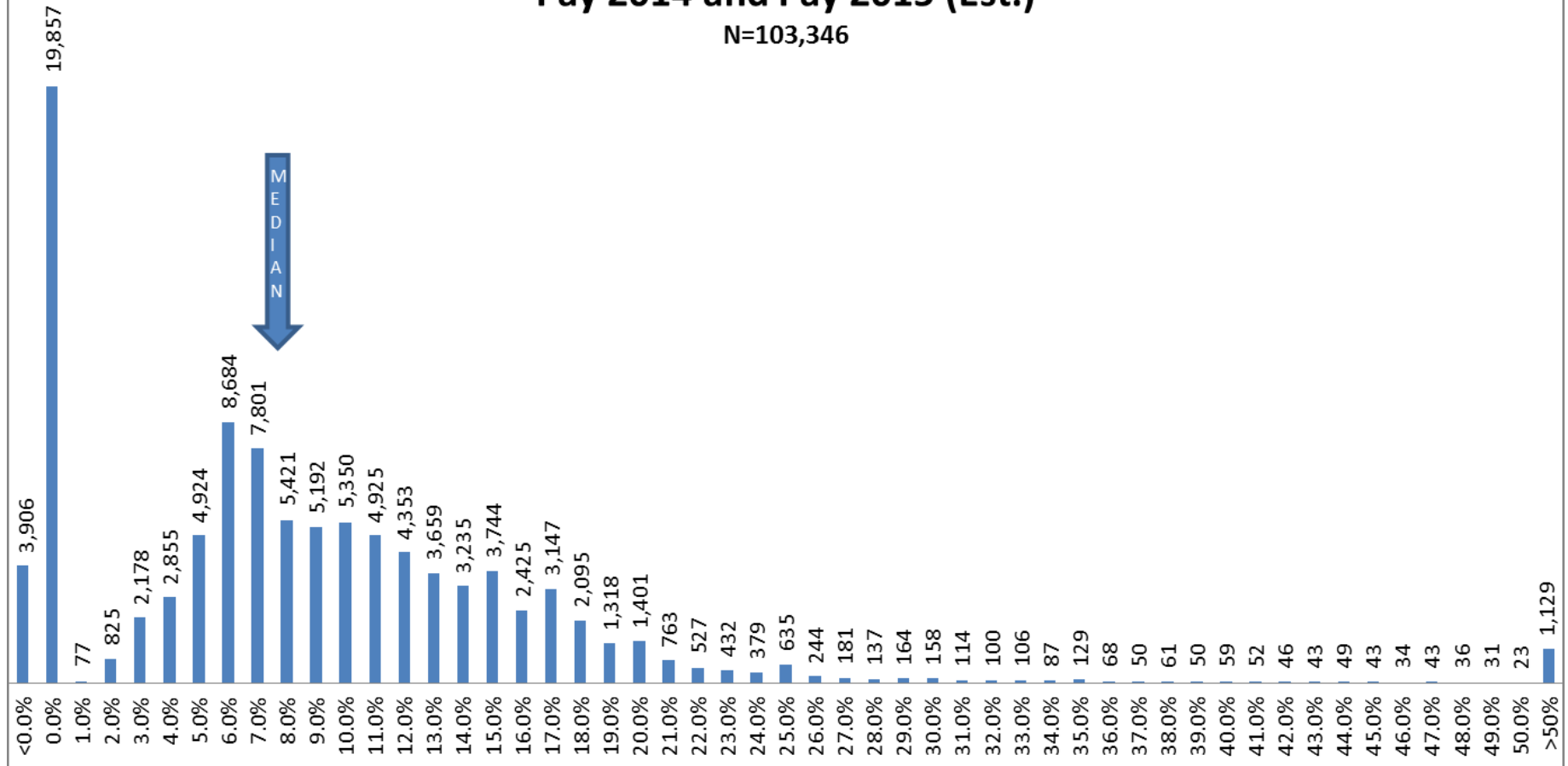
	2014			2015			Change		
	Est Mkt Val	Txbl Mkt Val	Net Tax Cap	Est Mkt Val	Txbl Mkt Val	Net Tax Cap	EMV	TMV	TCAP
Residential	\$ 19,556.8	\$ 18,110.7	\$ 184.8	\$ 21,219.3	\$ 19,920.3	\$ 203.9	8.5%	10.0%	10.3%
Commercial	\$ 6,215.7	\$ 6,215.7	\$ 122.1	\$ 6,495.8	\$ 6,495.8	\$ 127.3	4.5%	4.5%	4.2%
Industrial	\$ 1,092.7	\$ 1,092.7	\$ 21.2	\$ 1,119.8	\$ 1,119.8	\$ 21.6	2.5%	2.5%	1.6%
Apartment	\$ 5,963.3	\$ 5,858.9	\$ 69.3	\$ 7,151.7	\$ 7,061.3	\$ 84.1	19.9%	20.5%	21.4%
Agriculture	\$ 0.1	\$ 0.1	\$ 0.0	\$ 0.1	\$ 0.1	\$ 0.0	0.8%	0.8%	-2.3%
Total	\$ 32,828.6	\$ 31,278.1	\$ 397.5	\$ 35,986.8	\$ 34,597.3	\$ 436.9	9.6%	10.6%	9.9%

2015 Recommended Budget and Levy

Background Information

Distribution of Change in Tax Capacity of Residential Parcels Between Pay 2014 and Pay 2015 (Est.)

N=103,346

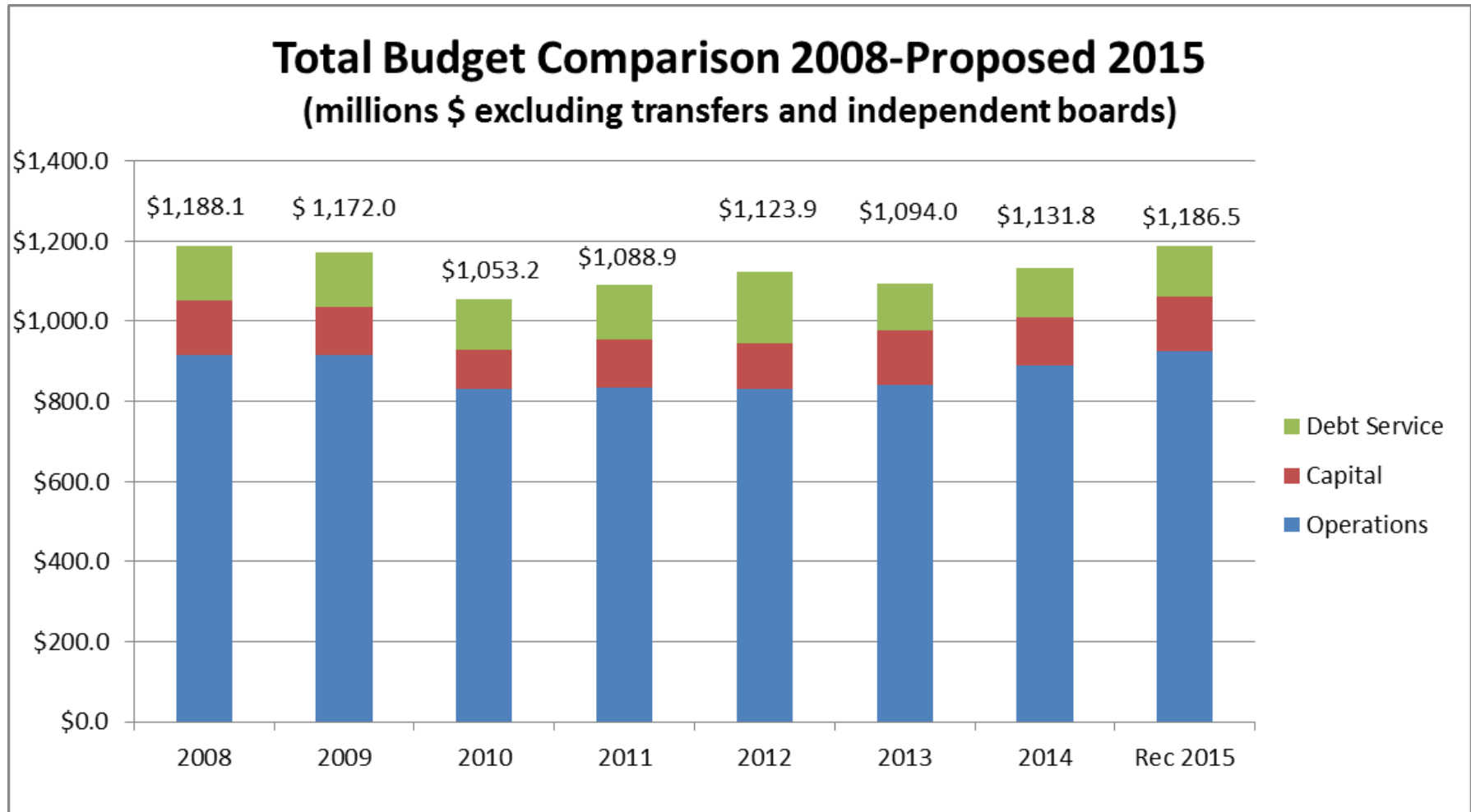


2015 Recommended Budget and Levy Expenditure Budget Comparison by Department

(millions \$ excluding transfers)

	2014		2015		Chg
Operations	\$	887.8	\$	926.0	4.3%
Capital	\$	121.5	\$	134.6	10.8%
Debt Service	\$	122.5	\$	125.9	2.8%
Total	\$	1,131.8	\$	1,186.5	4.8%

2015 Recommended Budget and Levy Expenditure Budget Comparison



2015 Recommended Budget and Levy

Expenditure Budget Comparison by Department (please see handout)

(In Millions of Dollars)

	2014 Adopted	2015 Mayor's Recommended	% Change	\$ Change
Attorney	15.9	16.6	4.3%	0.7
Coordinator*	107.7	115.7	7.5%	8.0
CPED	79.3	75.2	-5.2%	(4.1)
Convention Center	51.5	52.8	2.5%	1.3
Fire	59.3	60.2	1.5%	0.9
Health and Family Support	17.8	18.5	4.4%	0.7
Library	3.2	2.4	-27.0%	(0.8)
Police	147.7	153.4	3.9%	5.7
Regulatory Services	20.6	22.5	9.6%	1.9
Charter Departments Subtotal	503.0	517.5	2.9%	14.5
PW - Administrative Services	3.0	3.1	4.9%	0.1
PW - Fleet	39.0	34.3	-12.3%	(4.7)
PW - Solid Waste	33.4	42.6	27.5%	9.2
PW - Traffic & Parking	53.7	55.5	3.3%	1.8
PW - Transportation Maintenance and Repair	46.0	47.8	3.9%	1.8
PW - Transportation Planning & Engineering	14.4	13.2	-8.1%	(1.2)
PW - Water Treatment & Distribution	52.4	56.0	6.7%	3.6
PW - Surface Water and Sewer - Stormwater	19.4	19.4	-0.2%	
PW - Surface Water and Sewer - Sanitary Sewer	48.0	56.8	18.4%	8.8
Public Works Subtotal	309.3	328.6	6.2%	19.3
Other City Services**	19.8	21.4	7.9%	1.6
Other***	55.7	58.5	5.0%	2.8
Debt Service	122.5	125.9	2.8%	3.4
Total Capital Improvement	121.5	134.6	10.8%	13.1
Total City Spending	1,131.8	1,186.5	4.8%	54.7

2015 Recommended Budget and Levy Expenditure Budget Highlights

- Four additional operators in 911
- Enhanced funding for Domestic Abuse programs in City Attorney and Downtown 100 initiative
- Voter Assistance and data management resources in City Clerk
- Consolidation and enhanced services in City Coordinator for Equitable Outcome initiatives, clean energy and outreach activities
- Funding for expanded contract compliance and ADA responsibilities in Civil Rights
- Additional resources for translation and communication services in Communications

2015 Recommended Budget and Levy

Expenditure Budget Highlights

- Enhanced funding for Meet Minneapolis in the Convention Center
- Expanded youth support activities in the Health Department, as well as healthy environmental issues and increased health inspections
- Funding to maintain staffing in Fire Department both short and long term
- Employee Recognition activities in Human Resources
- Additional outreach activities and expansion of One Minneapolis Fund in NCR

2015 Recommended Budget and Levy

Expenditure Budget Highlights

- Increased inspection capacity in Regulatory Services and MACC
- Funding to maintain and grow the number of sworn officers in the Police Department (CSOs, CPSs and COPS grant match)
- Implementation of Organics Recycling
- Additional pedestrian safety initiatives in Public Works
- Additional \$1.5 million for Affordable Housing and housing related support in CPED
- Funding for staff to address growth in Business Licensing and construction; as well as technical support for new businesses in CPED

2015 Recommended Budget and Levy Expenditure Budget Highlights

- Increased support for the Youth Coordinating Board for youth outreach workers downtown
- Funding for MPHA benefits transition
- Planning resources for the closure of the Upper Harbor Terminal
- Capital Funding match for Nicollet Mall
- Supplemental Funding for operation capital through the Capital Asset Request System (CARS)

2015 Recommended Budget and Levy

Revenue Summary (see handout)

Revenues by Category

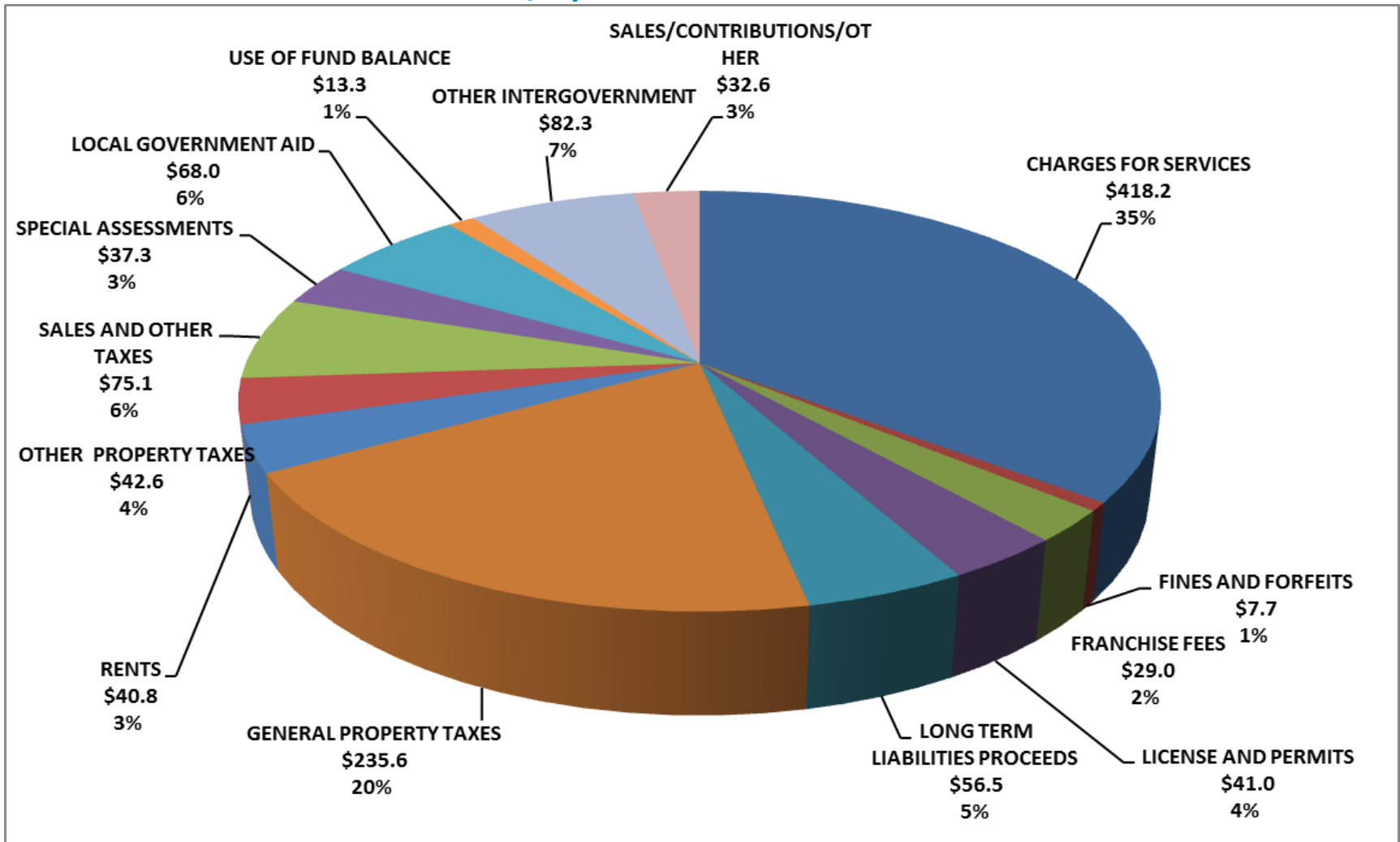
Revenue Category	2014 Adopted	2015 Mayor's Recommended	\$ Change	% Change
CHARGES FOR SALES	14.3	13.3	(1.0)	-7.0%
CHARGES FOR SERVICES	392.7	418.2	25.5	6.5%
CONTRIBUTIONS	1.1	1.2	0.1	10.3%
FEDERAL GOVERNMENT	29.1	35.8	6.8	23.3%
FINES AND FORFEITS	8.5	7.7	(0.8)	-9.7%
FRANCHISE FEES	26.9	29.0	2.1	7.7%
GAINS	0.0	0.0		0.0%
INTEREST	2.4	3.4	1.0	44.2%
LICENSE AND PERMITS	38.4	41.0	2.5	6.5%
LOCAL GOVERNMENT	3.7	3.4	(0.2)	-6.4%
LONG TERM LIABILITIES PROCEEDS	52.9	56.5	3.7	6.9%
OTHER MISC REVENUES	15.3	14.7	(0.6)	-3.8%
GENERAL PROPERTY TAXES	226.5	235.6	9.1	4.0%
OTHER PROPERTY TAXES	41.6	42.6	1.0	2.3%
RENTS	41.5	40.8	(0.8)	-1.8%
SALES AND OTHER TAXES	73.7	75.1	1.4	2.0%
SPECIAL ASSESSMENTS	32.0	37.3	5.3	16.6%
LOCAL GOVERNMENT AID	66.9	68.0	1.1	1.6%
STATE GOVERNMENT	38.7	43.0	4.3	11.2%
USE OF FUND BALANCE	24.5	13.3	(11.2)	-45.7%
Total Revenue	\$1,130.6	\$1,179.9	\$49.3	4.4%

2015 Recommended Budget and Levy

Revenue Summary

(millions \$ excluding transfers and MPRB)

\$1,179.9 million



2015 Recommended Budget and Levy Revenue Budget Highlights

- \$1.0 million increase in Local Government Aid
- \$2.5 million increase in License and Permits
- 1.5% decrease in General Fund levy
 - Offset by required increase for debt service
- 2.0% increase in Local Sales Taxes
- 9.7% reduction in Fines and Forfeits

2015 Recommended Budget and Levy Levy Summary

- City budget is but one part of the levy equation
- 2015 Budget Recommendation includes approximately \$192.6 million for general operations, debt service and capital
- Other components of overall levy include:
 - Closed pension obligations
 - MPRB levy
 - Outstanding Library Debt Service
 - Independent Boards (MBC & BET)

2015 Recommended Budget and Levy

Levy Summary

(millions \$)

	Adopted 2014	Proposed 2015 2015	Chg
General Fund Levy	\$ 157.1	\$ 154.7	-1.5%
Debt Levy	\$ 29.3	\$ 35.9	22.5%
HRA Levy	\$ 1.0	\$ 1.0	0.0%
Permanent Improvement Levy	\$ 1.0	\$ 1.0	0.0%
 Pensions	 \$ 27.3	 \$ 27.3	 0.0%
Teachers Retirement	\$ 2.3	\$ 2.3	0.0%
 MPRB	 \$ 49.6	 \$ 52.0	 4.9%
 Library Debt Service	 \$ 9.3	 \$ 9.3	 0.0%
 MBC	 \$ 4.6	 \$ 4.7	 1.8%
BET	\$ 0.2	\$ 0.2	0.0%
Total	\$ 281.7	\$ 288.4	2.4%

2015 Recommended Budget and Levy

Levy Recommendation Impact

- Including all levy entities, recommended increase is 2.4%
- Residential impact:
 - If values increased <7% = reduction
 - If values increased >7% = some increase
 - Approximately 50% decrease/increase
 - Home valued at \$180K last year
 - Estimated reduction of \$75 if no change in value
 - Estimated steady taxes if ~7% value increase
 - Estimated increase in taxes of \$20 if ~9% value increase



CITY OF MINNEAPOLIS

2015 Recommended Budget and Levy

Thank you